

1-1 By: Carona S.B. No. 950
 1-2 (In the Senate - Filed February 28, 2013; March 12, 2013,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 April 15, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 15, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 950 By: Carona

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to requiring certain alcoholic beverage permittees to be
 1-22 the primary American source of supply for certain alcoholic
 1-23 beverages.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 37.10, Alcoholic Beverage Code, is
 1-26 amended to read as follows:

1-27 Sec. 37.10. RESTRICTION AS TO SOURCE OF SUPPLY. (a) No
 1-28 holder of a nonresident seller's permit may solicit, accept, or
 1-29 fill an order for distilled spirits or wine from a holder of any
 1-30 type of wholesaler's or winery permit unless the nonresident seller
 1-31 is the primary American source of supply for the brand of distilled
 1-32 spirits or wine that is ordered.

1-33 (b) In this section, "primary American source of supply"
 1-34 means the distiller, the producer, the owner of the commodity at the
 1-35 time it becomes a marketable product, the bottler, or the exclusive
 1-36 agent of any of those. To be the "primary American source of
 1-37 supply" the nonresident seller must be the first source, that is,
 1-38 the manufacturer or the source closest to the manufacturer, in the
 1-39 channel of commerce from whom the product can be secured by Texas
 1-40 [~~American~~] wholesalers and Texas wineries. A product may have only
 1-41 one primary American source of supply to Texas.

1-42 SECTION 2. Subsections (a) and (d), Section 101.671,
 1-43 Alcoholic Beverage Code, are amended to read as follows:

1-44 (a) Before an authorized permittee may ship distilled
 1-45 spirits or wine into the state or sell distilled spirits or wine
 1-46 within the state, the permittee must register the distilled spirits
 1-47 or wine with the commission and provide proof that the permittee is
 1-48 the primary American source of supply for purposes of Section
 1-49 37.10. The registration application must include a certificate of
 1-50 label approval issued by the United States Alcohol and Tobacco Tax
 1-51 and Trade Bureau for the product.

1-52 (d) The commission by rule may ~~shall~~ establish procedures
 1-53 for accepting:

1-54 (1) federal certificates of label approval for
 1-55 registration under this section; and

1-56 (2) proof, such as a letter of authorization, that a
 1-57 permittee is the primary American source of supply for purposes of
 1-58 Section 37.10.

1-59 SECTION 3. This Act takes effect September 1, 2013.

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